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May 10, 2023

Kakaku.com, Inc.
Consolidated Earnings Report for the
Fiscal Year Ended March 31, 2023

Stock listings: Tokyo Stock Exchange
Securities code: 2371
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Scheduled dates
Ordinary general meeting of shareholders: June 20, 2023
Dividend payout: June 21, 2023
Filing of statutory year-end financial report: June 20, 2023
Supplementary materials to financial results available: Yes
Fiscal year-end earnings presentation held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% = year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit for the period		Profit attributable to owners of the parent company		Total comprehensive income for the period	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2023/3	60,820	17.6	23,947	25.1	23,253	11.3	16,156	13.0	16,132	12.9	16,074	11.8
FY2022/3	51,723	1.3	19,147	4.7	20,897	16.7	14,294	22.9	14,294	21.5	14,371	23.0

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of the parent company ratio	Profit before income taxes to total assets ratio	Operating profit to revenue ratio
	¥	¥	%	%	%
FY2023/3	79.29	79.23	33.7	31.2	39.4
FY2022/3	69.65	69.61	30.1	29.6	37.0

For reference: Share of profit (loss) of associates and joint ventures accounted for by the equity method:

Year ended March 31, 2023:(240) million yen

Year ended March 31, 2022:(135) million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent company	Total equity attributable to owners of the parent company ratio	Equity per share attributable to owners of the parent company
	¥ million	¥ million	¥ million	%	¥
As of March 31, 2023	78,558	48,140	47,856	60.9	237.96
As of March 31, 2022	70,477	48,164	47,956	68.0	234.38

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	¥ million	¥ million	¥ million	¥ million
FY2023/3	22,400	(2,678)	(17,572)	36,453
FY2022/3	16,033	(1,311)	(15,310)	34,298

2. Dividends

	Annual dividends					Total payout (full year)	Payout ratio (consolidated)	Dividends to equity attributable to owners of the parent company (consolidated)
	Q1	Q2	Q3	Year-end	Annual total			
	¥	¥	¥	¥	¥	¥ million	%	%
FY2022/3	—	20.00	—	20.00	40.00	8,190	57.4	17.3
FY2023/3	—	20.00	—	20.00	40.00	8,114	50.4	16.9
FY2024/3 (forecast)	—	23.00	—	23.00	46.00		50.3	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% = year-on-year change)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent company		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending September 30, 2023	31,600	11.9	11,900	9.1	11,800	4.1	8,100	0.7	40.28
Full year	67,700	11.3	27,100	13.2	26,900	15.7	18,400	14.1	91.49

*Notes

(1) Changes in significant subsidiaries during the period: Yes

Newly included: 1 company (Pathee, Inc.) Excluded: —

(2) Accounting policy changes and accounting estimate changes:

i) Changes in accounting policies required by IFRS: None

ii) Changes other than the above 1): None

iii) Changes in accounting estimates: Yes

(Note) For details, see “3. Consolidated Financial Statements, (5) Notes on Consolidated Financial Statements

(Changes in accounting estimates)” on page 12.

- (3) Number of shares issued (common stock)
- i) Number of shares issued at end of period (treasury shares included):
- March 31, 2023: 201,763,000 shares
 March 31, 2022: 205,281,200 shares
- ii) Number of shares held in treasury at end of period:
- March 31, 2023: 659,087 shares
 March 31, 2022: 675,587 shares
- iii) Average number of shares outstanding during the period:
- Year ended March 31, 2023: 203,443,786 shares
 Year ended March 31, 2022: 205,209,160 shares

For Reference

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Operating Results

(% = year-on-year change)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY2023/3	52,769	14.4	20,995	16.5	21,093	16.6	14,192	10.5
FY2022/3	46,124	(0.9)	18,015	(1.6)	18,091	(1.9)	12,845	5.6

	Net income per share - basic	Net income per share - fully diluted
	¥	¥
FY2023/3	69.76	69.71
FY2022/3	62.60	62.55

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of March 31, 2023	54,352	43,651	79.7	215.33
As of March 31, 2022	53,324	45,479	84.8	220.91

For reference: Total equity: March 31, 2023: 43,303 million yen March 31, 2022: 45,199 million yen
 Total equity = Shareholders' equity plus total accumulated other comprehensive income

Note: For non-consolidated financial results, amounts are rounded down to the nearest million yen.

* This earnings report is exempt from audit procedures by certified public accountants and the accounting auditor.

*Appropriate Use of Earnings Forecasts and Other Important Information

(Disclaimer Regarding Forward-Looking Statements)

The above forecasts, which constitute forward-looking statements, are prospects based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors.

Contents

1. Operating Results and Financial Position	2
(1) Operating Results	2
(2) Financial Position.....	3
(3) Cash Flows	3
(4) Outlook for Fiscal Year Ending March 31, 2024	3
2. Basic Approach to Selection of Accounting Standards	3
3. Consolidated Financial Statements	4
(1) Consolidated Statement of Financial Position.....	4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	6
(3) Consolidated Statements of Changes in Equity	8
(4) Consolidated Statement of Cash Flows.....	10
(5) Notes on Consolidated Financial Statements	12
(Notes regarding the going concern assumption)	12
(Changes in presentation)	12
(Changes in accounting estimates).....	12
(Segment information).....	13
(Per share data)	16
(Significant subsequent events)	16

1. Operating Results and Financial Position

(1) Operating Results

The Company's operating results for the fiscal year ended March 31, 2023, are as follows.

Consolidated revenue increased 17.6% year on year to 60,820 million yen. Economic and social activities have been normalizing after a nationwide lifting of priority preventive measures and other restrictions, despite being affected by the spread of infection with new variants of the virus in July and November. Against this backdrop, revenue in the Kakaku.com business decreased, while revenue in Tabelog's restaurant promotion business, the New Media and Solutions business, and the Finance business increased.

Consolidated operating profit rose 25.1% year on year to 23,947 million yen. This was mainly due to increased revenue. Consolidated profit before income taxes increased 11.3% year on year to 23,253 million yen, mainly due to an increase in operating profit.

Consolidated profit attributable to owners of the parent company increased 12.9% year on year to 16,132 million yen.

Operating results (after intersegment eliminations) are presented below by business segment.

(a) Internet Media Business

The Internet media business's revenue increased 16.1% year on year to 56,960 million yen, and its segment income rose 21.1% year on year to 22,397 million yen in the fiscal year ended March 31, 2023.

(Kakaku.com)

Kakaku.com's revenue decreased 8.0% year on year to 19,697 million yen in the fiscal year ended March 31, 2023.

The shopping business's revenue decreased year on year due to such impacts as fewer new products, the prolonging of other constraints on the supply side, and the price hikes caused by exchange rate fluctuations. The advertising business's revenue decreased year on year due to such impacts as fewer new products, the prolonging of other constraints on the supply side, and the decrease in advertisement placements resulting from increased manufacturing costs caused by exchange rate fluctuations. Although a recovery was seen in the second half of the fiscal year, the service business's revenue decreased year on year, due to a slowdown of stay-at-home demand in the telecommunications domain, and due to continuing supply side issues in the automotive domain.

As a result, revenue in the shopping business decreased 8.9% year on year to 8,054 million yen, revenue in the service business declined 2.9% year on year to 8,017 million yen, and revenue in the advertising business fell 16.0% year on year to 3,626 million yen.

Kakaku.com had 42.35 million monthly unique users¹ in March 2023.

(Tabelog)

Tabelog's revenue grew 38.5% year on year to 23,381 million yen in the fiscal year ended March 31, 2023.

The restaurant promotion business's revenue increased 49.1% year on year to 20,179 million yen. With social activities normalizing, the demand for eating out increased steadily despite a resurgence of COVID-19 in July and November. This led to an increase of 111.6% year on year in the cumulative number of online reservations to 56.74 million in the fiscal year ended March 31, 2023. Due to the expanded use of the online reservation service by restaurants, the total number of restaurants contracting Tabelog's paid services was 68,200 as of March 2023.

The premium membership business's revenue decreased 1.0% year on year to 1,496 million yen due to a decline in fee-paying user members.

The advertising business's revenue was up 4.4% year on year to 1,672 million yen mainly due to an increase in users sent to alliance partners' sites.

Revenue from commissioned business² was 35 million yen.

Tabelog had 96.49 million monthly unique users¹ in March 2023.

(New Media and Solutions)

The New Media and Solutions business's revenue grew 29.2% year on year to 13,882 million yen in the fiscal year ended March 31, 2023.

In the New Media and Solutions business, revenue increased in the domains of job classifieds, real estate and travel/transportation.

(b) Finance Business

The finance business's revenue grew 44.0% year on year to 3,860 million yen, and its segment income increased 135.6% year on year to 1,550 million yen in the fiscal year ended March 31, 2023.

Commission income at Kakaku.com Insurance, a site operated by Kakaku.com Insurance, Inc., increased due to changes in estimates related to revenue recognition for insurance agency commission income, and growth in online insurance applications.

(Notes) 1. Monthly unique users are counted as the number of browsers that visited the site (for certain browsers, operating systems, etc., there may be instances in which users who re-visited the site after a certain period of time are counted multiple times). Double-counting as a side effect of high-speed loading of mobile webpages and

mechanical accesses by third parties' web-scraping bots etc. are eliminated from the count to the fullest extent possible. Tabelog's support of AMP (Accelerated Mobile Pages) ended in February 2022.

2. Refers to revenue from Go To Eat campaign-related business commissioned by the Ministry of Agriculture, Forestry and Fisheries. It does not, however, include advertising income (booked in the advertising business) related to the commissioned operations.

(2) Financial Position

Assets

Consolidated assets at March 31, 2023, totaled 78,558 million yen, an 8,081 million yen increase from March 31, 2022. The increase was mainly the net result of a 908 million yen decrease in right-of-use assets being offset by a 3,875 million yen increase in other current assets, 2,154 million yen increase in cash and cash equivalents, and a 2,120 million yen increase in trade and other receivables.

Liabilities

Consolidated liabilities at March 31, 2023, totaled 30,418 million yen, an 8,105 million yen increase from March 31, 2022. The increase was mainly a 5,293 million yen increase in other current liabilities and a 1,484 million yen increase in income taxes payable.

Equity

Consolidated equity at March 31, 2023, totaled 48,140 million yen, a 24 million yen decrease from March 31, 2022. This was mainly the net result of a declaration of an 8,184 million yen dividend from retained earnings and a 7,965 million yen decrease in purchase and disposal of treasury shares despite recording profit attributable to owners of the parent company of 16,132 million yen.

(3) Cash Flows

Cash and cash equivalents ("cash") at March 31, 2023, totaled 36,453 million yen, a 2,154 million yen increase from March 31, 2022. Cash flows from operating, investing, and financing activities were as follows.

Cash flows from operating activities

Operating activities provided net cash of 22,400 million yen (vs. 16,033 million yen provided in the previous fiscal year). The main outflows were 6,334 million yen of income taxes paid and 3,875 million yen of increase in other current assets, which were offset by 23,253 million yen of profit before income taxes, 3,563 million yen in depreciation and amortization and 5,293 million yen of increase in other current liabilities.

Cash flows from investing activities

Investing activities used net cash of 2,678 million yen (vs. 1,311 million yen used in the previous fiscal year). This was primarily due to 1,447 million yen used to purchase intangible assets, including server software, 614 million yen used for purchase of investment securities, and 552 million yen used for purchase of property, plant and equipment.

Cash flows from financing activities

Financing activities used net cash of 17,572 million yen (vs. 15,310 million yen used in the previous fiscal year). This was primarily due to 8,184 million yen used for dividends paid, 8,018 million yen used for the purchase of treasury shares, and 1,387 million yen used for the repayment of lease obligations.

(4) Outlook for Fiscal Year Ending March 31, 2024

The Japanese government has announced its policy to downgrade the status of COVID-19 from a Category 2 to a Category 5 disease under the Infectious Diseases Control Law, and the impact the infection trend has on the economy is expected to shrink. On the other hand, the economic situation in Japan remains uncertain and it will be necessary to pay close attention to the economic impacts of rising raw material and utility expenses, continued difficulties in recruitment and a prolonged shortage of components.

The Kakaku.com Group will continue to provide new value to consumers, through its Kakaku.com business, the Tabelog business, the Kyujin Box business, the New Media and Solutions business, and the Finance business, by creating services that enrich people's daily lives and are helpful in various aspects of life, while continuing to expand existing services and enhance their functions.

For the fiscal year ending March 31, 2024, the Company is forecasting consolidated revenue of 67,700 million yen, consolidated operating profit of 27,100 million yen, consolidated profit before income taxes of 26,900 million yen, and consolidated profit attributable to owners of the parent company of 18,400 million yen.

The above forecasts are based on currently available information, which involves many uncertainties. Actual operating results may differ from the forecast figures above as a result of changes in business conditions or other factors.

2. Basic Approach to Selection of Accounting Standards

The Group has adopted International Financial Reporting Standards (IFRS) effective from the fiscal year ended March 31, 2018, to enhance its financial information's international comparability in capital markets.

3. Consolidated Financial Statements
(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	34,298	36,453
Trade and other receivables	7,919	10,039
Other financial assets	252	530
Other current assets	4,575	8,450
Total current assets	47,044	55,472
Non-current assets		
Property, plant and equipment	2,329	2,360
Right-of-use assets	6,671	5,763
Goodwill and other intangible assets	6,886	7,446
Investments accounted for using equity method	781	346
Other financial assets	6,151	5,794
Deferred tax assets	529	1,291
Other non-current assets	86	86
Total non-current assets	23,433	23,086
Total assets	70,477	78,558

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	2,939	3,616
Bonds and borrowings	486	531
Other financial liabilities	1,040	1,993
Income taxes payable	3,244	4,728
Lease liabilities	1,223	1,036
Employee benefit obligations	1,739	1,978
Other current liabilities	5,885	11,178
Total current liabilities	16,557	25,060
Non-current liabilities		
Bonds and borrowings	40	163
Lease liabilities	4,848	4,228
Provisions	549	562
Other non-current liabilities	319	405
Total non-current liabilities	5,757	5,358
Total liabilities	22,313	30,418
Equity		
Capital stock	916	916
Capital surplus	141	64
Retained earnings	48,621	48,111
Treasury shares	(2,175)	(1,596)
Other components of equity	454	360
Total equity attributable to owners of the parent company	47,956	47,856
Non-controlling interests	208	284
Total equity	48,164	48,140
Total liabilities and equity	70,477	78,558

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Revenue	51,723	60,820
Operating expenses	32,601	36,771
Other income	41	18
Other expenses	16	68
Impairment loss	–	52
Operating profit	19,147	23,947
Finance income	748	255
Finance expenses	2	517
Share of profit (loss) of associates and joint ventures accounted for by the equity method	(135)	(240)
Impairment loss on investments accounted for using the equity method	–	192
Gain on sales of investments in associates	1,000	–
Gain from remeasurement relating to discontinued application of the equity method	139	–
Profit before income taxes	20,897	23,253
Income tax expense	6,603	7,097
Profit	14,294	16,156
Profit attributable to:		
Owners of the parent company	14,294	16,132
Non-controlling interests	1	24
Earnings per share		
Basic earnings per share (yen)	69.65	79.29
Diluted earnings per share (yen)	69.61	79.23

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	14,294	16,156
Other comprehensive income (Net of related tax effect)		
Items that will not be reclassified to profit or loss		
Net changes in fair value of financial assets measured at fair value through other comprehensive income	80	(81)
Total items that will not be reclassified to profit or loss	80	(81)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(0)	1
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(3)	(3)
Total items that may be reclassified to profit or loss	(3)	(1)
Other comprehensive income (Net of related tax effect)	77	(82)
Comprehensive income	14,371	16,074
Comprehensive income attributable to:		
Owners of the parent company	14,371	16,049
Non-controlling interests	1	24

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
					Net changes in fair value of financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Subscription rights to shares	Total other components of equity			
Balance at beginning of period	916	463	47,028	(1,842)	37	(14)	(1)	293	316	46,880	261	47,141
Profit	–	–	14,294	–	–	–	–	–	–	14,294	1	14,294
Other comprehensive income	–	–	–	–	80	(0)	(3)	–	77	77	0	77
Total comprehensive income	–	–	14,294	–	80	(0)	(3)	–	77	14,371	1	14,371
Dividends	–	–	(8,218)	–	–	–	–	–	–	(8,218)	–	(8,218)
Purchase or disposal of treasury shares	–	–	(4,605)	(333)	–	–	–	(9)	(9)	(4,947)	–	(4,947)
Changes in ownership interest in subsidiaries	–	(306)	–	–	0	–	–	–	0	(306)	(36)	(342)
Share-based payment transactions	–	–	–	–	–	–	–	70	70	70	–	70
Change in scope of consolidation	–	–	122	–	–	–	–	–	–	122	(18)	104
Others	–	(15)	–	–	–	–	–	–	–	(15)	–	(15)
Total transactions with owners	–	(322)	(12,701)	(333)	0	–	–	61	61	(13,295)	(54)	(13,349)
Balance at end of period	916	141	48,621	(2,175)	117	(14)	(4)	354	454	47,956	208	48,164

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Equity attributable to owners of the parent company										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
					Net changes in fair value of financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Subscription rights to shares	Total other components of equity			
Balance at beginning of period	916	141	48,621	(2,175)	117	(14)	(4)	354	454	47,956	208	48,164
Profit	–	–	16,132	–	–	–	–	–	–	16,132	24	16,156
Other comprehensive income	–	–	–	–	(81)	1	(3)	–	(82)	(82)	0	(82)
Total comprehensive income	–	–	16,132	–	(81)	1	(3)	–	(82)	16,049	24	16,074
Dividends	–	–	(8,184)	–	–	–	–	–	–	(8,184)	–	(8,184)
Purchase or disposal of treasury shares	–	–	(8,537)	580	–	–	–	(8)	(8)	(7,965)	–	(7,965)
Changes in ownership interest in subsidiaries	–	(59)	–	–	–	–	–	–	–	(59)	59	–
Share-based payment transactions	–	–	–	–	–	–	–	77	77	77	–	77
Change in scope of consolidation	–	–	–	–	–	–	–	–	–	–	(7)	(7)
Others	–	(18)	80	–	(80)	–	–	–	(80)	(18)	–	(18)
Total transactions with owners	–	(77)	(16,642)	580	(80)	–	–	69	(11)	(16,150)	52	(16,098)
Balance at end of period	916	64	48,111	(1,596)	(44)	(13)	(6)	424	360	47,856	284	48,140

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	20,897	23,253
Adjustments to reconcile profit before income taxes		
Depreciation and amortization	3,503	3,563
Interest and dividend income	(7)	(8)
Decrease (increase) in trade and other receivables	(247)	(2,105)
Increase (decrease) in trade and other payables	490	680
Increase (decrease) in other financial liabilities	(2,929)	952
Decrease (increase) in other current assets	(623)	(3,875)
Increase (decrease) in other current liabilities	1,872	5,293
Other	(1,244)	1,006
Subtotal	21,713	28,758
Interest and dividend income received	7	7
Interest paid	(38)	(32)
Income taxes paid	(5,650)	(6,334)
Net cash provided by (used in) operating activities	16,033	22,400
Cash flows from investing activities		
Purchase of property, plant and equipment	(380)	(552)
Purchase of intangible assets	(1,394)	(1,447)
Purchase of investment securities	(692)	(614)
Proceeds from sale of investment securities	–	238
Proceeds from distribution of investment in partnerships	126	191
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(480)
Proceeds from sale of investments in associates	880	–
Payments for lease and guarantee deposits	(23)	(16)
Other	173	5
Net cash provided by (used in) investing activities	(1,311)	(2,678)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(315)	30
Repayments of long-term loans payable	(48)	(43)
Repayment of lease obligations	(1,411)	(1,387)
Purchase of treasury shares	(5,016)	(8,018)
Dividends paid	(8,217)	(8,184)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(342)	–
Proceeds from issuance of share options	43	35
Other	(4)	(4)
Net cash provided by (used in) financing activities	(15,310)	(17,572)
Effect of exchange rate change on cash and cash equivalents	(2)	5
Net increase (decrease) in cash and cash equivalents	(590)	2,154
Cash and cash equivalents at beginning of period	34,888	34,298
Cash and cash equivalents at end of period	34,298	36,453

(5) Notes on Consolidated Financial Statements

(Notes regarding the going concern assumption)

Not applicable.

(Changes in presentation)

Consolidated Statement of Cash Flows

“Decrease (increase) in other current assets” and “increase (decrease) in other current liabilities” which were included in “Other” under “Cash flows from operating activities” in the fiscal year ended March 31, 2022, are presented as separate items from the fiscal year ended March 31, 2023 due to an increase in its monetary materiality. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended March 31, 2022 have been reclassified.

As a result, 6 million yen presented in “Other” under “Cash flows from operating activities” in the consolidated statement of cash flows for the fiscal year ended March 31, 2022 has been reclassified as “decrease (increase) in other current assets” of (623) million yen, “increase (decrease) in other current liabilities” of 1,872 million yen, and “Other” of (1,244) million yen.

(Changes in accounting estimates)

(Insurance agency commission income)

For the insurance agency business of the Finance business, the main activities carried out are intermediary business processes for the conclusion of insurance policies based on insurance agency consignment contracts concluded with insurance companies. Upon conducting an estimate of the variable consideration by adopting a most likely outcome approach based on the terms and conditions of the insurance agency consignment contract, past performance and other matters, revenue is recognized with said variable consideration included in the transaction prices in a range where the probability of significant reversals of the cumulative amount of recognized revenue not occurring is extremely high. Up until now, for such revenue arising from commissions, it was difficult to reasonably provide an estimate at the time when performance obligation was satisfied as to the probability of significant reversals of the cumulative amount of recognized revenue not occurring. Accordingly, revenue had been recognized at the point in time when the amount was invoiced to the customer.

On the other hand, during the fiscal year ended March 31, 2023, there were changes to the terms and conditions of some of the insurance agency consignment contracts with insurance companies, among other occurrences, which led to it becoming possible to provide a reasonable estimation as to the range where the probability of significant reversals of the cumulative amount of recognized revenue not occurring is extremely high. Accordingly, such estimates and underlying assumptions were reviewed, and the effect based on that revision was recognized for the fiscal year ended March 31, 2023.

The effect of that revision was incorporated into revenue recorded in the consolidated statement of income. As a result, for the fiscal year ended March 31, 2023, revenue, operating profit, and profit before income taxes each increased by 1,069 million yen.

(Segment information)

(1) Outline of reportable segments

The Group's reportable segments comprise the business units of the Group for which separate financial information is available and of which the Board of Directors periodically conducts reviews for the purpose of determining the allocation of management resources and evaluating their business results.

The Group has established business divisions and subsidiaries by service, and each business division and subsidiary draw up comprehensive domestic and overseas strategies of the services for which it is responsible and engages in business activities.

The Group, thus, comprises segments based on services under the business divisions and subsidiaries, which have been divided into the reportable segments of Internet Media and Finance.

The Internet Media segment mainly operates customer purchasing support site Kakaku.com and restaurant search and reservation site Tabelog; Kyujin Box, a job classifieds site; Sumaity, a real estate/housing information site; 4travel, a travel review and comparison site; eiga.com, a comprehensive movie information site operated by eiga.com, Inc., a consolidated subsidiary; webCG, a dedicated automobile site operated by webCG, Inc., a consolidated subsidiary; a dynamic package solution business of the consolidated subsidiary, Time Design Co., Ltd.; Bus Hikaku Navi, a bus trip comparison service operated by LCL Incorporated, a consolidated subsidiary; the movie content and website production business of gaie, Inc., a consolidated subsidiary; and the digital sales promotion tool "STORECAST" for retail stores of Pathee, Inc., a consolidated subsidiary.

The Finance segment is engaged in the insurance agency business through Kakaku.com Insurance, Inc., a consolidated subsidiary.

(2) Information on the amounts of revenue, profit/loss, assets and other items by reportable segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Reportable segment			Adjustments (Notes 1, 2)	Amount reported in the consolidated financial statements
	Internet Media	Finance	Total		
Revenue					
Revenue from external customers	49,043	2,680	51,723	–	51,723
Intersegment revenue or transfers	1	–	1	(1)	–
Total	49,044	2,680	51,724	(1)	51,723
Operating expenses	30,586	2,021	32,607	(6)	32,601
Segment income	18,488	658	19,147	–	19,147
Finance income					748
Finance expenses					2
Share of profit (loss) of associates and joint ventures accounted for by the equity method					(135)
Gain on sales of investments in associates					1,000
Gain from remeasurement relating to discontinued application of the equity method					139
Profit before income taxes					20,897
Segment assets	67,043	3,586	70,629	(152)	70,477
Other items					
Depreciation and amortization	3,339	164	3,503	–	3,503
Capital expenditures (Note 3)	1,773	2	1,775	–	1,775

(Note 1) Adjustments of segment income refer to the elimination of intersegment transactions.

(Note 2) Adjustments of segment assets refer to the elimination of intersegment receivables and payables.

(Note 3) Capital expenditures include investments in property, plant and equipment, and intangible assets.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segment			Adjustments (Notes 1, 2)	Amount reported in the consolidated financial statements
	Internet Media	Finance	Total		
Revenue					
Revenue from external customers	56,960	3,860	60,820	–	60,820
Intersegment revenue or transfers	2	–	2	(2)	–
Total	56,962	3,860	60,822	(2)	60,820
Operating expenses	34,469	2,309	36,778	(7)	36,771
Segment income	22,397	1,550	23,947	(0)	23,947
Finance income					255
Finance expenses					517
Share of profit (loss) of associates and joint ventures accounted for by the equity method					(240)
Impairment loss on investments accounted for using the equity method					192
Profit before income taxes					23,253
Segment assets	73,560	5,150	78,710	(152)	78,558
Other items					
Depreciation and amortization	3,402	161	3,563	–	3,563
Impairment loss	52	–	52	–	52
Capital expenditures (Note 3)	1,950	50	2,000	–	2,000

(Note 1) Adjustments of segment income refer to the elimination of intersegment transactions.

(Note 2) Adjustments of segment assets refer to the elimination of intersegment receivables and payables.

(Note 3) Capital expenditures include investments in property, plant and equipment, and intangible assets.

(Per share data)

Basic earnings per share and diluted earnings per share attributable to owners of the parent company are as follows.

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Basic earnings per share (yen)	69.65	79.29
Diluted earnings per share (yen)	69.61	79.23

The basis for calculating basic earnings per share and diluted earnings per share attributable to owners of the parent company is as follows.

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Basic earnings per share		
Profit attributable to owners of the parent company (Millions of yen)	14,294	16,132
Amounts not attributable to common shareholders of the parent company (Millions of yen)	—	—
Amount of profit used in the calculation of basic earnings per share (Millions of yen)	14,294	16,132
Average number of outstanding common stock during the period (shares)	205,209,160	203,443,786
Diluted earnings per share		
Adjustment to profit (Millions of yen)	—	—
Amount of profit used in the calculation of diluted earnings per share (Millions of yen)	14,294	16,132
Increase in number of common stock (shares)	143,686	157,205
[Stock acquisition rights] (shares)	[143,686]	[157,205]
Summary of dilutive stock not included in the calculation of diluted earnings per share due to not having dilutive effects	—	—

(Significant subsequent events)

Not applicable.